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Office of Thrift Supervision Financial Reporting Division

March 2006

Financial Reporting Bulletin

- **It is important that you read this bulletin and the attached materials before preparing and submitting your Thrift Financial Report.**
- *Please share this bulletin with all staff members who are involved in preparing and transmitting reports to the OTS.*

March TFR Filing Deadline – Monday, May 1, 2006
March COF Filing Deadline – Monday, May 1, 2006
March CMR Filing Deadline – Monday, May 15, 2006
March HC Filing Deadline – Monday, May 15, 2006

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The Office of Thrift Supervision publishes the Financial Reporting Bulletin quarterly and distributes it to all OTS-regulated institutions. The bulletin's purpose is to provide the Thrift Financial Report preparer with reporting information and guidelines. Please send comments and suggestions on this bulletin to the Office of Thrift Supervision, by e-mail to OTSFinancialBulletin@ots.treas.gov.

FIRST QUARTER FILING DEADLINES

You should complete and transmit your March 2006 TFR and COF **as soon as possible** after the close of the quarter. **Filing deadline** for all schedules *except* HC and CMR is **Monday, May 1, 2006**. **Filing deadline** for Schedules HC and CMR is **Monday, May 15, 2006**.

Institutions that are exempt from filing Schedule CMR but choose to voluntarily file must adhere to the filing deadlines above. The OTS will not be able to provide access to Interest Rate Risk reports to institutions that fail to meet the filing deadline. All voluntary CMR filers should contact Doris Jackson at doris.jackson@ots.treas.gov, or 972.277.9618 two days after transmitting CMR for confirmation of receipt.

If you have questions concerning the preparation of your report, please call your Financial Reporting Division analyst in Dallas, Texas. A contact listing is provided near the end of this bulletin. You may e-mail reporting questions to tfr.instructions@ots.treas.gov. If you need assistance with the Electronic Filing System (EFS) or Financial Reports Subscriber (FRS) software or transmission, contact the EFS Helpline Message Center by e-mail at efs-info@ots.treas.gov or by phone toll free at 866.314.1744. If you have questions about your Interest Rate Risk report, you may contact Scott Ciardi at scott.ciardi@ots.treas.gov, or call 202.906.6960.

MARCH 2006 EFS VERSION 5.8 SOFTWARE FULL UPGRADE CD MAILED

The Electronic Filing System (EFS) Version 5.8 CD has been mailed to all TFR report preparers using the mail address provided on their most recent TFR transmission as of March 8, 2006. Please **install the CD as soon as you receive it** and review *What's New in EFS 5.8* before you begin working on your March reports. **Retain the CD in a safe, easily accessible place for retrieval if you are directed by the OTS to reinstall the software.** You should destroy any prior versions of EFS CDs.

If you do not receive your CD by April 14, 2006, please e-mail Doris Jackson at doris.jackson@ots.treas.gov. Be sure to include your institution's five-digit docket number in the subject line of your message.

For any software issues you encounter, you should first run the OTS Diagnostics, which is installed automatically along with the EFS program. You can access OTS Diagnostics from your desktop through Start, Programs, Office of Thrift Supervision, OTS Diagnostics. If the OTS Diagnostics does not identify and offer solutions for your particular problem, you can contact the EFS Helpline at efs-info@ots.treas.gov, or call the toll free Message Center at 866.314.1744.

Financial Reports Subscriber (FRS) Version 3.0 Upgrade

Financial Reports Subscriber Version 3.0 allows users to **request historical UTPRs** back to March 2004. **You must install FRS 3.0 to use this new feature – it is not automatically installed with the EFS installation.** The FRS installation program is always included on the EFS CD installation menu. Select to install Financial Reports Subscriber (FRS) 3.0. Please install this immediately after installing EFS Version 5.8.

WHAT'S NEW IN ELECTRONIC FILING SYSTEM (EFS) VERSION 5.8

Changes to Line Items

Five lines from Schedule VA were deleted in March 2006. These lines will no longer appear on the form within EFS. A new line was added to Schedule SC: SC429 – U.S. Government-Guaranteed or –Insured Real Estate Owned. Several edits were affected by these changes. Please see the TFR Instruction Manual for more details.

Saving Institution Setup Information

EFS 5.8 will allow you to save data you have entered into the Institution Setup before you have completed entering this data. In some cases, users entering this information did not realize until partway through that they did not have data for all the required fields. You may now save the Institution Setup when it is partially complete and return to it when you have obtained the correct information. **You will not be allowed to connect to EFS Net until this section is completed.**

CCR27 Calculation

EFS automatically calculates line CCR27 at 4% of CCR25. However, thrifts with a composite CAMELS rating of "1" may override this calculation using 3% of CCR25. Be aware that if you amend any lines that change the composition of Schedule CCR, and especially those that alter CCR25, CCR27 will revert back to the 4% calculation. If you used 3% for CCR27, you will have to re-calculate CCR27 during the amendment process.

CCR840 and PCCRs

EFS also automatically calculates the capital ratio on CCR840 according to the original formula, which is found in the report instructions. Certain thrifts with purchased credit card relationships (PCCRs) may opt to use an alternative calculation, also found in the report instructions. Thrifts using this alternative calculation may override the automatic value for CCR840 and enter the new value.

Like CCR27, CCR840 will revert to the original calculated value during the amendment process. If you amend the TFR and those amendments affect Schedule CCR, and you use the alternative calculation for PCCRs, you must recalculate CCR840 and enter the new value.

Financial Reports Subscriber 3.0

This updated version of Financial Reports Subscriber (FRS) allows users to request **historical** UTPRs dating back to March 2004. You will need to install FRS 3.0 to use this new feature. FRS installation is found on the initial installation menu, after you insert the EFS CD into your computer. Please install this immediately after installing EFS 5.8.

EFS Help Guide

The EFS Help Guide has been undated to include more screens and text.

SOFTWARE CORNER

Authentication PIN

For security reasons, when leaving a voice-mail message or sending e-mail to the EFS Helpline, please do not reveal your institution's OTS Authentication PIN. This number should not be written or stored anywhere, and should be given only to those few institution staff members with a need to know. OTS Helpline administrators can always provide the number to the report preparer of record, or can generate an entirely new number if it is believed by institution management that the original PIN has been compromised because of staff turnover, disgruntled personnel, etc.

Check for Updates

Remember to log in to EFS Net **at least weekly during the reporting cycle** to check for any notices or software updates you may need in preparing and transmitting your reports to the OTS.

EFS Security Guidelines

We strongly suggest that all report preparers periodically review the EFS Security Guidelines document that is always available on EFS-NET. We recommend that institutions also include it in their policy of required reading for any new staff using the EFS software.

Review/Update Institution Setup Information

Before you transmit any report or message to the OTS via EFS Net, please verify that all information in Thrift Emergency Contacts and Institution Setup is current and correct. The Financial Reporting Division uses this information to communicate with OTS-regulated institution report preparers.

Schedule CMR Format

The paper version of Schedule CMR is oriented in landscape format. Remember you now have the option to view all five data-entry columns in a similar format on your EFS data-entry screen.

To reconfigure your application, click Options > Configurations and then check the box to "Use Expanded CMR Data Entry Layout." This option requires a minimum screen resolution of 1024x768 pixels.

You may also choose to have the cursor move down the columns when you press the "Enter" key. The columnar data entry is done in logical groupings instead of completely down one column and then up to the next. For example, on the first page, data entry starts at CMR001 and continues to CMR056, and then goes back up to CMR002 and down to CMR057, etc. This will enable columnar completion of the 30 year FR/SF First Mortgage Loans and MBS before moving on to the 15-year mortgage section.

To reconfigure your application for column-oriented data entry, click Options > Configurations and then check the box "Column Oriented Data Entry Order" located directly under the option for expanded data entry layout. **You can select this option only if you have also chosen the expanded data entry layout.**

New Feature Coming in June 2006 for Branch Office Survey

The OTS will include a feature in the June 2006 EFS release that will allow the industry to import branch office deposit information from external files. This feature applies only to the 'Update Deposits' function. All other events/change codes must be entered manually. External files must contain the OTS assigned sequence # and the deposit information in that order. Any other subsequent information in the file is ignored during the import process. Files can be tab-delimited, space-delimited, or comma-delimited in format. More detailed information will be forthcoming under the Available Bulletins for Download section of EFS-NET. The OTS encourages the industry to prepare for this new feature as it will allow thrifts to prepare up to 98% of their BOS filing with only a few mouse clicks.

2006 TFR FORM AND INSTRUCTION MANUAL

A complete new hard copy of the TFR Form and Instruction Manual dated March 2006 has been mailed to all TFR report preparers using the mail address provided on their most recent TFR transmission as of March 8, 2006.

The following TFR Instruction Manual changes are implemented beginning March 2006:**Schedule SC - Repossessed Assets - Page 217**

Under the section "Do Not Include", deleted item 3, and renumbered items 4 and 5 as 3 and 4, respectively.

Schedule SC - Line SC429 - Page 217

Added the following language before SC430:

SC429: U.S. Government-Guaranteed or -Insured Real Estate Owned

Report repossessed property where the loans were wholly or partially guaranteed or insured by agencies of the U.S. government.

Schedule SC - Line SC660 - Page 220

Replaced item 5 under "Include" with the following:

5. Other intangible assets (i.e., purchased credit card relationships (PCCRs)) excluding servicing assets reported on SC642 and SC644.

Schedule SC - Line SC689: Other Assets - Page 221

Deleted item 5 under the section "Do Not Include".

Schedule SC - SC691, 693 and 697: Codes - Page 221

Deleted code 05.

Schedule SO - Line SO141: Mortgage Loans - Page 302

Changed the first paragraph to:

Report income on mortgage loans, including amortization of yield adjustments, reported on SC230 through SC265. Include prepayment fees, late fees, and assumption fees on mortgage loans.

Schedule SO - Line SO160: Commercial Loans and Leases - Page 302

Changed the first paragraph to:

Report the net interest earned, including any yield adjustments, on commercial nonmortgage loans that you reported on SC300 through SC306, Secured and Unsecured Commercial Loans and Financing Leases. Include prepayment fees, late fees, and assumption fees on commercial loans and leases.

Schedule SO - Line SO171: Consumer Loans and Leases - Page 302

Changed the first paragraph to:

Report income including any yield adjustments on consumer loans reported on SC35. Include with yield adjustments the amortization of credit card fees. Include prepayment fees, late fees, and assumption fees on consumer loans and leases.

Schedule SO - Line SO420: Other Fees and Charges - Page 306

Deleted item 3 under the section "Include".

Schedule CC - Line CC420: Commercial Lines - Page 704

Changed the definition to:

Report unused lines of credit on nonmortgage commercial loans reported on SC300, SC303, and SC306.

Schedule DI - Line DI210 - Uninsured Deposits - Page 902

Added before the first paragraph:

Institutions with less than \$1 billion in total assets are not required to complete this item. Only institutions with \$1 billion or more in total assets are required to report these data. To determine whether to complete this item, use your institution's total assets from line SC60 as of the June 30 TFR prior to or current with the current reporting cycle. Once an institution passes the \$1 billion total assets threshold, it must continue to report its estimated uninsured deposits regardless of subsequent changes in its total assets.

Schedule SB - Line 010 - Page 1201

Changed the second paragraph to:

You should respond **No** and leave the remainder of Schedule SB blank if the following are true:

- (1) you and your consolidated subsidiaries have no loans reported on SC260, 300, 303, and 306
- (2) your business loans and those of your consolidated subsidiaries have only **original amounts**, as defined below, exceeding \$1 million
- (3) your farm loans have only **original amounts** exceeding \$500 thousand

Schedule CCR - Line CCR185 - Page 1606

Changed the heading to:
Intangible Assets

Changed the first sentence to:
Report PCCRs included on SC660 as well as on CCR115.

Schedule CCR - Line CCR285 - Page 1608

Changed the heading to:
Intangible Assets

Schedule CCR - Line CCR840 - Page 1631

Replaced the first paragraph with the following two paragraphs:

If you do not report purchased credit card relationships (PCCRS) or servicing assets on nonmortgage loans or if you do not have non-qualifying PCCRs or non-qualifying servicing assets on nonmortgage loans, the EFS software will compute this ratio as Tier 1 (core) capital plus cumulative perpetual preferred stock less PCCRS and servicing assets on nonmortgage loans divided by tangible assets less PCCRS and servicing assets on nonmortgage loans $[(CCR20-CCR185+SC812-SC644)]/[CCR25-CCR285-SC644]$, expressed as a percentage.

If you have non-qualifying PCCRs or non-qualifying servicing assets on nonmortgage loans, as determined under CCR133, you should manually override the software calculation for CCR840. You should take into consideration adjustments made on CCR 133 so that PCCRs and servicing assets on nonmortgage loans in Tier 1 (core) capital are fully deducted for purposes of the tangible equity ratio.

Oakar Deposit Reporting No Longer Required

With the enactment of the Federal Deposit Insurance Reform Act earlier this year, thrifts no longer need to report "Oakar deposit" information on Schedule DI of the TFR. Therefore, beginning March 2006, thrifts with "Oakar deposits" should report zeros in DI740, DI750, and DI760 even if they have previously reported data in these line items. These line items will be removed from the TFR forms, instructions, and filing software later in 2006.

Increase in Federal Deposit Insurance for Retirement Accounts

On March 14, 2006, the Federal Deposit Insurance Corporation (FDIC) Board of Directors approved final rules that will raise the deposit insurance coverage on certain retirement accounts at a bank or savings institution to \$250,000 from \$100,000 effective April 1. The increase was a result of the Federal Deposit Insurance Reform Act, and increases federal deposit insurance coverage for the first time in more than 25 years. The basic insurance coverage for other deposit accounts, however, will remain at \$100,000. The banking agencies plan to add line items to collect information from banks and savings institutions regarding the dollar amount and number of retirement accounts at/under the new deposit insurance coverage limits as well as those above the new limits. For OTS thrifts, the proposed line items are planned for the September 2006 TFR and will be detailed in a forthcoming Federal Register Notice for comment.

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The Financial Reporting Division uses voice-mail extensively. If you reach the voice-mail of the person you are calling, please leave a brief message, speaking slowly enough to be clearly understood. Include your name, phone number, region, and docket number. Your call will be returned as quickly as possible.

TFR REPORTING QUESTIONS AND ANSWERS

The Financial Reporting Division posts TFR Questions and Answers on the OTS website at <http://www.ots.treas.gov/> (click TFR). If you have a question that you would like answered, you may submit it to tfr.instructions@ots.treas.gov. For security reasons, FRD staff does not respond to e-mails with blank or illogical Subject lines.

EFS HELPLINE MESSAGE CENTER

For assistance with Electronic Filing System (EFS)-related issues, contact the EFS Software Helpline at efs-info@ots.treas.gov or call the toll-free 24-Hour Message Center: 866.314.1744. NOTE: For security purposes, please always begin your e-mail Subject line with your 5-digit docket number, and provide your name and phone number. FRD staff does not respond to e-mails with blank or illogical Subject lines.

INTEREST-RATE RISK REPORTS

Questions about your Interest Rate Risk report may be directed to Scott Ciardi at scott.ciardi@ots.treas.gov, or 202.906.6960.

COPIES OF TFR MANUAL The OTS provides one copy of the TFR Instruction Manual and Financial Reporting Bulletins free of charge to the report preparer(s) of each OTS-regulated institution. You can also access the manual and bulletins on the OTS website at <http://www.ots.treas.gov/> (click TFR).

PREFERRED AND MINIMUM REQUIREMENTS
FOR ELECTRONIC FILING OF
REGULATORY REPORTS

Preferred Requirements:

Application

- IBM-compatible PC - Pentium 566+ processor
- Windows 98, NT4.0 Workstation, Windows 2000, XP, Me
- 256 Meg of installed RAM memory
- 200+ Meg of available hard drive memory
- SVGA enhanced color monitor 1024x768, 256 colors or 24 bit true colors
- CD-Rom drive
- HP LaserJet or Ink Jet-compatible printer

Communications - EFS-NET

- DSL, Internet Cable, or T1-T3 Direct Line with online Internet access
 - Internet Explorer 6.x or greater (for EFS-NET certificate compatibility)
-

Minimum Requirements:

Application

- IBM-compatible PC - Pentium 200+ processor
- Windows 98
- 128 Meg of installed RAM memory
- 150 Meg of available hard drive memory
- VGA or SVGA color monitor - 640x480, 256 colors screen
- CD-Rom drive
- HP LaserJet or Ink Jet-compatible printer

Communications - EFS-NET

- 56K bps modem and active account with an Internet Access Service Provider
- Internet Explorer 6.x or greater (for EFS-NET certificate compatibility)

Office of Thrift Supervision

Filing Schedule for 2006 Regulatory Reports

Reporting "As Of" Date	FILING DEADLINE			
	Thrift Financial Report	Schedule CMR and HC	Cost of Funds	Branch Office Survey
January 31			Thursday March 2	
February 28			Thursday March 30	
March 31	Monday May 1	Monday May 15	Monday May 1	
April 30			Tuesday May 30	
May 31			Thursday June 30	
June 30	Monday July 31	Monday August 14	Monday July 31	Monday August 28
July 31			Wednesday August 30	
August 31			Monday October 2	
September 30	Monday October 30	Tuesday November 14	Monday October 30	
October 31			Thursday November 30	
November 30			Tuesday January 2, 2007	
December 31	Tuesday January 30, 2007	Wednesday February 14, 2007	Tuesday January 30, 2007	

THRIFT FINANCIAL REPORT **INSTRUCTION MANUAL**

MARCH 2006

No Instruction manual updates are attached. A complete new set of 2006 hard-copy forms and instructions has been mailed to the TFR report preparer on record.

Direct TFR preparation questions to your Financial Reporting Analyst in Dallas, TX, or e-mail tfr.instructions@ots.treas.gov.